

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Panchayat Raj and Rural Development Department – Third State Finance Commission – Finalization of the Recommendations of the Third State Finance Commission – Orders – Issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (MDL.I) DEPARTMENT

G.O.Ms.No. 461

Dated:13.12.2013.

Read the following:-

1. G.O.Ms.No.13, PR&RD(Mdl.I) Deptt. Dt. 16.01.2003.
2. GO.Ms.No.390, PR&RD (Mdl.I) Deptt. Dt.23.12.2004.
3. G.O.Rt.No.379, PR & RD (Mdl.I) Deptt. Dated 10.03.2008.
4. G.O.Rt.No.515, PR & RD (Mdl.I) Deptt. Dated 06.04.2011.

ORDER:

In consonance with the Constitutional provisions of the 73rd Amendment Act, 1992, and as per Section 235 of A.P. Panchayat Raj Act, 1994 the Governor of A.P. have constituted the Third State Finance Commission on 16.01.2003 to apportion Revenue, Assignment of Taxes and to suggest to grants-in-aid to the local self Government units vide reference 1st read above. Though, the Commission was constituted during the year 2003, then reconstituted in 2004, they submitted the report very belatedly during the year 2008 consisting of 63 recommendations pertains to the period from 2005 to 2010 co-terminus with 12th Finance Commission of Government of India. Subsequently, the Government of India have appointed two Finance Commissions i.e. 13th Finance Commission which is meant for the period 2010-15 whose recommendations are presently under implementation and 14th Finance Commission which is busy transacting business and likely to submit their report by the end 2014.

2. The Third State Finance Commission has submitted its report with 63 recommendations out of which 44 recommendations pertain to Rural Local Bodies and 19 recommendations pertaining to Urban Local Bodies involving 1274.34 crores and Rs.489.38 crores respectively. On receipt of the report of the TSFC, Govt. had constituted the committee of Ministers and Secretaries to examine the report of the TSFC and suggest to Government on various steps to be taken on the recommendations of the Commission vide G.O.Rt.No.379, PR&RD(Mdl.I) Department dated.10.3.2008. The said committee has discussed the recommendations of the TSFC and considered the non-financial recommendations in principle.

3. As the financial recommendations and the quantum of the amount to be devolved to the Panchayat Raj Institutions were not decided, Government have reconstituted the committee of Ministers & Secretaries to suggest various steps to be taken on the financial recommendations of the Third State Finance Commission. The above said Committee have met on 7.6.2013 and after detailed discussions has decided to accept most of the recommendations of the Third State Finance Commission. As per the decision taken by the Committee of Ministers and Secretaries, the three member committee deliberated on the report and submitted detailed action plan as per the recommendations of the Committee of Ministers and Secretaries, which may be accepted and implemented.

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4. The total devolution of funds recommended by the Third State Finance Commission is to the tune of Rs.1274.34 crores for PRIs and Rs.489.38 crores for urban local bodies for the period 2005-2010. The period from 2010-2015 is covered by the recommendations of XIII Finance Commission, but unfortunately there is no parallel State Finance Commission appointed for this period as yet. Even if a Commission is appointed now, it would not be possible for them to give their report before the end of year 2014. Hence, the committee of Ministers and Secretaries felt that the recommendations of Third State Finance Commission could be applied for the period from 2010-15 also. Further, post XIII Finance Commission Report the total devolution to the local bodies amounting to Rs.1597.04 crores for Panchayat Raj Institutions and Rs.515.24 crores for urban local bodies is exceeding the amount recommended by the Third State Finance Commission. Thus it is held that the constitutional and legal requirement of devolution is fulfilled.

5. Under these circumstances, the recommendations of Third State Finance Commission proposed by the Committee of Ministers and Secretaries have been placed before the Council of Ministers on 03.12.2013 for its approval before placing the same before the State Legislature. The Council of Ministers have accepted the recommendations as described in Annexure-I & II. Government hereby decide to accept the recommendations of the Third State Finance Commission, both Financial and Non- Financial as annexed to this order.

6. The Departments in Secretariat/HODs noted in the address entries are requested to issue necessary follow up orders or instructions for implementation of these recommendations.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**V. NAGI REDDY,
PRINCIPAL SECRETARY TO GOVERNMENT (PR)**

To
The PR&RD (RD)/PR&RD(RWS) / MA&UD/TR&B/ Revenue (Excise) /Ind&Com/I&CAD (IW)/Agri &Coop. (Marketing)/EFS&T(Forest).
The Concerned Sections in PR&RD Dept.
The Commissioner, Panchayat Raj and Rural Employment, Hyderabad.
The Commissioner of Rural Development
The Commissioner AMR-APARD
The Commissioner of Excise
The Commissioner of Transport
The Commissioner of Marketing
The Director of Mines & Geology
The Chief Conservator of Forests
The Engineer-in-chief, Panchayat Raj, Hyderabad.
The Engineer-in-chief, RWS, Hyderabad.
All the District Collectors in the State.
All the Chief Executive Officers of Zilla Parishads in the State.

Copy to :

The G.A.(Cabinet) Department
The Director, Local Fund Audit , Hyderabad.
All Audit Officers in the State.
The Accountant General, Andhra Pradesh, Hyderabad.
The Finance and Planning (FW. EXPR. PR.) Department,
SF/SC.

//FORWARDED::BY ORDER//

SECTION OFFICER